101ST CONGRESS
1st Session
HOUSE OF REPRESENTATIVES
REPORT
101-51

NOISE REDUCTION REIMBURSEMENT ACT OF 1989

MAY 16, 1989.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ANDERSON, from the Committee on Public Works and Transportation, submitted the following

REPORT

[To accompany H.R. 968]

[Including cost estimate of the Congressional Budget Office]

The Committee on Public Works and Transportation, to whom was referred the bill (H.R. 968) to provide for Federal reimbursement of local noise abatement funds, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment strikes out all after the enacting clause of the bill and inserts a new text which appears in italic type in the reported bill.

Under existing law (Section 104(c) of the Aviation Safety and Noise Abatement Act of 1979 and Section 513 of the Airport and Airway Improvement Act of 1982) an airport cannot receive a grant from the Airport and Airway Trust Fund for noise abatement measures (such as the purchase of residential housing impacted by noise) unless the airport operator receives the grant before the project is undertaken. H.R. 968 changes this requirement to permit an airport to be reimbursed for noise abatement expenditures undertaken before a grant is received if these noise abatement measures are carried out after June 1, 1989, if they are part of an airport noise compatibility program approved by the Federal Aviation Administration and if the expenditures are undertaken in a manner complying with applicable statutory and administrative requirements.

The Committee believes that H.R. 968 will facilitate noise abatement. Because of constraints imposed by the appropriations and budget processes, the Airport and Airway Trust Fund has been unable to fund all noise abatement projects which are ready to

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begin. The reported bill will encourage airports to go ahead with noise abatement work, under an approved noise abatement program, even though Federal funding is not currently available. The reported bill makes qualifying projects eligible for reimbursement at a later date. However, there is no commitment on the part of the Federal Government to make funding available.

The Committee believes that H.R. 968 will make an important contribution to noise abatement by encouraging noise abatement projects to begin at the earliest possible date, even if Federal funding is not currently available.

Section-by-Section Summary

Section I. Short Title.—The Act may be cited as the "Noise Reduction Reimbursement Act of 1989".

Section II. Purposes.—States the purposes of the Act.

Section III.—Provides that airports may be reimbursed for expenses incurred before, on, or after the execution of the grant agreement, if the expense was incurred as part of the airport operators federally approved airport noise compatibility program, if the expense was incurred in accordance with all applicable statutory and administrative requirements, and if the expense was incurred after June 1, 1989.

Committee Action and Vote

With respect to clause 2(l)(2) (A) and (B) of the Rules of the House of Representatives, the Committee, with a majority present, favorably reported H.R. 968 by a voice vote on May 4, 1989.

Oversight Findings and Recommendations

With respect to clause 2(l)3(A) of rule XI of the Rules of the House of Representatives, the Committee reports that no separate hearings were held on the subject matter of the legislation by the Subcommittee on Investigations and Oversight.

With respect to clause (2)(l)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee has not received a report from the Committee on Government Operations pertaining to the subject matter.

Congressional Budget Act Requirement

With respect to clause (2)(l)(3)(B) of rule XI of the Rules of the House of Representatives, and in compliance with section 308(a) of the Congressional Budget Act of 1974, the Committee reports that H.R. 968 does not provide any new budget authority or new or increased tax expenditures.

With respect to clause (2)(l)(3)(C) of rule XI of the Rules of the House of Representatives, the Committee has received the following report from the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 10, 1989.

Hon. GLENN M. ANDERSON,
Chairman, Committee on Public Works and Transportation, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 968, the Noise Reduction Reimbursement Act of 1989, as ordered reported by the House Committee on Public Works and Transportation, May 4, 1989. We estimate that no cost to the federal government or to state or local governments would result from enactment of this bill.

H.R. 968 would consider costs incurred before the execution of grant agreements and as part of airports' federally approved noise compatibility programs to be allowable project costs for airport development and planning. Such costs would thus be eligible for federal reimbursement. Generally, airports incur costs for airport development and planning projects after the execution of grant agreements. The bill would apply only to costs incurred subsequent to June 1, 1989.

Based on information from the Federal Aviation Administration, CBO estimates that enactment of H.R. 968 would result in no additional cost to the federal government. Some airports might begin work on noise compatibility projects earlier than under current law, but the portion of their costs covered by federal grants would not be affected. The bill would not affect the overall funding levels for airport development and planning.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Mitchell Rosenfeld, who can be reached at 226-2860.

Sincerely,

ROBERT D. REISCHAUER, *Director.*

INFLATIONARY IMPACT ANALYSIS

With respect to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the Committee reports that there should be no inflationary impact on prices and costs in the operation of the national economy by enactment of H.R. 968

COST ESTIMATE OF THE LEGISLATION

With respect to clause 7(A)(1) of rule XIII of the Rules of the House of Representatives, the Committee reports that it agrees with the estimate of the Congressional Budget Office of the costs incurred by enactment of the Bill.

With respect to clause 7(A)(2) of rule XIII of the Rules of the House of Representatives, the Committee reports that no cost estimate of H.R. 968 was submitted to the Committee by a government agency.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill,

as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 513 OF THE AIRPORT AND AIRWAY IMPROVEMENT ACT

SEC. 513. PROJECT COSTS.

(a) ALLOWABLE PROJECT COSTS.—Except as provided in section 514 of this title, the United States may not pay, or be obligated to pay, from amounts appropriated to carry out the provisions of this title, any portion of a project cost incurred in carrying out a project for airport development or airport planning unless the Secretary has first determined that the cost is allowable. A project cost is allowable if—

(1) it was a necessary cost incurred in accomplishing an approved project in conformity with the terms and conditions of the grant agreement entered into in connection with the project, including any costs incurred by a recipient in connection with any audit required by the Secretary pursuant to section 518(b) of this title;

(2) *(A)* it was incurred subsequent to the execution of the grant agreement with respect to the project, and in connection with airport development or airport planning accomplished under the project after the execution of the agreement. However, the allowable costs of a project for airport development may include any necessary costs of formulating the project (including the costs of field surveys and the preparation of plans and specifications, the acquisition of land or interests therein or easements through or other interests in airspace, and any necessary administrative or other incidental costs incurred by the sponsor specifically in connection with the accomplishment of the project for airport development, which would not have been incurred otherwise) which were incurred prior to the execution of the grant agreement and subsequent to May 13, 1946, and the allowable costs of a project for airport planning may include any necessary and direct costs associated with developing the project work scope which were incurred subsequent to May 13, 1946; *or*

(B) it was incurred after June 1, 1989, by the airport operator and before, on, or after the execution of the grant agreement and was incurred as part of the airport operator's federally approved airport noise compatibility program (including project formulation costs) and in accordance with all applicable statutory and administrative requirements;

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